



DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 21-60]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense (DoD).

ACTION: Arms sales notice.

SUMMARY: The DoD is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Neil Hedlund at neil.g.hedlund.civ@mail.mil or (703) 697-9214.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 21-60 with attached Policy Justification and Sensitivity of Technology.

Dated: April 19, 2023.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, SUITE 101
ARLINGTON, VA 22202-5408

December 20, 2021

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 21-60, concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of Australia for defense articles and services estimated to cost \$108 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in blue ink, reading "Jedidiah P. Royal", is positioned above the printed name.

Jedidiah P. Royal
Acting Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Government of Australia
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 102 million
Other	<u>\$ 6 million</u>
TOTAL	\$ 108 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):
Up to eight hundred (800) Hellfire AGM-114R2 Missiles

Non-MDE:
Also included is Tactical Aviation Ground Munition Program Office Technical Assistance; Security Assistance Management Directorate, Joint Attack Munition Systems Technical Assistance; classified and unclassified publications; spare parts; repair and return; storage; and other related elements of program and logistical support.
- (iv) Military Department: Army (AT-B-UMB)
- (v) Prior Related Cases, if any: AT-B-ULO
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: **December 20, 2021**

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Australia – Hellfire AGM-114R2 Missiles

The Government of Australia has requested to buy up to eight hundred (800) Hellfire AGM-114R2 Missiles. Also included is Tactical Aviation Ground Mmunition Program Office Technical Assistance; Security Assistance Management Directorate, Joint Attack Munition Systems Technical Assistance; classified and unclassified publications; spare parts; repair and return; storage; and other related elements of program and logistical support. The total estimated case value is \$108 million.

This proposed sale will support the foreign policy and national security objectives of the United States. Australia is one of our most important allies in the Western Pacific. The strategic location of this political and economic power contributes significantly to ensuring peace and economic stability in the region. It is vital to the U.S. national interest to assist our ally in developing and maintaining a strong and ready self-defense capability.

This proposed sale will improve Australia's capability to meet current and future threats by enhancing the Australian Navy's armed reconnaissance and anti-tank warfare mission capabilities. Australia will have no difficulty absorbing these missiles into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be Lockheed Martin Corporation, Orlando, Florida. The purchaser typically requests offsets. Any offset agreement will be defined in negotiations between the purchaser and the contractor.

Implementation of this proposed sale will not require the assignment of any U.S. Government or contractor representatives.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
Of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The Hellfire AGM-114R2 is a precision strike, semi-active laser-guided missile and is the principal air-to-ground weapon for the U.S. Army AH-64 Apache. The Hellfire R model incorporates a multi-purpose warhead with selectable effects appropriate for engagement of a wide range of targets including heavily or lightly armored targets, thin-skinned vehicles, urban structures, caves, and personnel.
2. The highest level of classification of defense articles, components, and services included in this potential sale is SECRET.
3. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.
4. A determination has been made that the Government of Australia can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.
5. All defense articles and services listed in this transmittal are authorized for release and export to the Government of Australia.